

FEDERAL RESERVE SYSTEM

12 CFR Part 265

[Docket No. R-0991]

Rules Regarding Delegation of Authority

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is delegating to the Director of the Division of Banking Supervision and Regulation the Board's authority to determine in individual cases that the services of an appraiser are not necessary in order to protect Federal financial and public policy interests in real estate-related financial transactions or to protect the safety and soundness of the institution. This delegation of authority is intended to aid in the efficient processing of requests for individual exemptions from the Board's appraisal regulation.

EFFECTIVE DATE: December 9, 1997.

FOR FURTHER INFORMATION CONTACT: Deneen L. Donnley-Evans, Staff Attorney (202/736-5567), Legal Division; or Virginia M. Gibbs, Senior Supervisory Financial Analyst, (202/452-2521), Division of Banking Supervision and Regulation; Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: In 1990, in accordance with the mandates of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), 12 USC 3331 et seq., the federal banking agencies adopted appraisal regulations for federally related transactions within their jurisdiction, and exempted certain real estate-related transactions from the appraisal requirements of Title XI. In June 1994, several existing exemptions to the appraisal regulation were modified and new exemptions were added, including an exemption for individual transactions for which the Board determines that the services of an appraiser are not necessary in order to protect Federal financial and public policy interests in real estate-related financial transactions or to protect the safety and soundness of the institution. See 12 CFR 265.7. The Board is delegating the authority to determine that an appraisal is not necessary to protect Federal financial and public policy interest or the safety and soundness of a financial institution to the Director of the Division of Banking Supervision and Regulation or the Director's delegee.

Administrative Procedure Act

The Administrative Procedure Act (5 USC 553(b)(A)) exempts "rules of agency organization, procedure, or practice" from the notice of proposed rulemaking and public comment requirements. As the Board's delegation rules fall under this exemption, the Board is adopting these amendments without notice-and-comment procedures.

Regulatory Flexibility Act Analysis

Pursuant to the Regulatory Flexibility Act (5 USC 601 et seq.), the Board hereby certifies that this rule will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act of 1995

In accordance with section 3506 of the Paperwork Reduction Act of 1995 (44 USC Ch. 35; 5 CFR part 1320 Appendix A.1), the Board reviewed the rule under the authority delegated to the Board by the Office of Management and Budget. No collection of information pursuant to section 3504(h) of the Paperwork Reduction Act (44 USC 3501 et seq.) is contained in this notice.

List of Subjects in 12 CFR Part 265

Authority delegations (Government agencies) Banks, banking, Federal Reserve System.

For the reasons set forth in the preamble, the Board amends 12 CFR part 265 as set forth below:

PART 265--RULES REGARDING DELEGATION OF AUTHORITY

1. The authority citation for Part 265 continues to read as follows:

Authority: 12 USC 248(i) and (k).

2. Section 265.7 is amended by adding paragraph (c)(6) to read as follows:

§ 265.7 Functions delegated to Director of Division of Banking Supervision and Regulation.

* * * * *

(c) * * *

(6) Appraisal not required. To determine pursuant to 12 CFR 225.63(b)(12) that the services of an appraiser are not necessary in order to protect Federal financial and public policy interests in real estate-related financial transactions or to protect the safety and soundness of an institution.

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By order of the Board of Governors of the Federal Reserve System, December 3, 1997.

(Signed) William W. Wiles

William W. Wiles
Secretary of the Board.